

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 5125

AN ORDINANCE providing for the issuance and sale of a bond of Local Improvement District No. 1 created by King County Water District No. 17, in the principal sum of \$184,419.20; and fixing the interest rate on assessments in Local Improvement District No. 1.

WHEREAS, by Resolution No. 97-3, the Board of Commissioners of Water District No. 17, King County (the "District") created Local Improvement District No. 1 ("LID No. 1"); and

WHEREAS, the Board of the District passed Resolution No. 101 confirming the final assessment roll in LID No. 1 in the amount of \$590,000, of which \$405,580.80 was paid during the 30-day prepayment period; and

WHEREAS, the City of Bellevue assumed the District, including LID No. 1; and

WHEREAS, it is necessary that the City issue a Local Improvement District No. 1 Bond in an amount equal to \$184,419.20, which is equal to the unpaid balance of the assessment roll; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Definitions. As used in this ordinance the following words shall have the following meanings:

"Assessments" means the assessments levied in LID No. 1 by Resolution No. 101 of the District, which assessments are pledged to be paid into the LID Control Fund, including installments thereof and any interest and penalties due or which may become due thereon.

"Bond" means the City of Bellevue Local Improvement District No. 1 Bond, 1999 issued pursuant to this ordinance for the purposes of paying a portion of the costs and expenses of the improvements within LID No. 1.

"Bond Register" means the books or records maintained by the Bond Registrar containing the name and mailing address of the owner of the Bond or nominee of such owner.

"Bond Registrar" means the Finance Director of the City, for the purposes of registering and authenticating the Bond, maintaining the Bond Register, effecting the transfer of ownership of the Bond and paying the principal of and interest on the Bond as the same becomes due and payable.

"City" means the City of Bellevue, Washington, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of Washington.

"Council" means the general legislative body of the City as the same shall be duly and regularly constituted from time to time.

"District" means King County Water District No. 17.

"Guaranty Fund" means the Local Improvement District Guaranty Fund of the City authorized and maintained pursuant to Ch. 35.54 RCW.

"LID No. 1" means Local Improvement District No. 1 created by Resolution No. 97-3 of the District.

"LID Control Fund" means the LID No. 1 Control Fund which is hereby created as a special fund of the City.

"LID No. 1 Project" means the LID No. 1 created in the special fund of the City designated as the LID Control Fund.

Section 2. Authorization of Bond. For the purpose of paying a portion of the note that was issued to finance the improvements in LID No. 1, plus all costs incidental thereto and to the issuance of the Bond, the City shall issue its Local Improvement District No. 1 Bond, 1999 (the "Bond") in the aggregate principal amount of \$184,419.20.

The Bond shall be dated the date of delivery to the purchaser, shall be in fully registered form in the denomination of \$184,419.20, shall be numbered in such manner and with any additional designation as the Bond Registrar deems necessary for the purposes of identification and control, shall bear interest at the rate of 4.59% per annum, payable annually beginning March 1, 2000 and annually thereafter on the first day of March of each year, and shall mature on March 1, 2006.

The Bond shall be an obligation only of the LID Control Fund and the Local Improvement District Guaranty Fund of the City. The Bond shall not be a general obligation of the City. Both principal of and interest on the Bond shall be payable in lawful money of the United States of America. Principal and interest on the Bond shall be paid by check or draft mailed to the registered owner at the address appearing on the Bond Register as of the fifteenth day of the month preceding the payment date. Each payment of principal shall be noted on the grid attached to the Bond. The final principal installment of the Bond shall be payable upon presentation and surrender of the Bond by the registered owner at the office of the Finance Director of the City.

Section 3. Bond Register. The Bond Register shall be maintained by the Bond Registrar, and shall contain the name and mailing address of the owner of the Bond or nominee of such owner.

Section 4. Redemption. The Bond shall be redeemed at par in advance of its scheduled maturity, by application of Assessments and prepayments thereof, in whole or in part in denominations of \$5,000 (except for the first prepayment which shall be in the minimum amount of \$4,419.20), on any interest payment date whenever there shall be sufficient money in the LID Control Fund, over and above an amount sufficient for the payment of the interest next accruing on the Bond. The

Bond Registrar shall maintain a system of recording the amount of principal paid on the Bond.

Notice of any such intended redemption shall be given not less than 15 days nor more than 60 days prior to the date fixed for redemption by first class mail, postage prepaid, to the registered owner of the Bond at the address appearing on the Bond Register. The requirements of this section shall be deemed to be complied with when notice is mailed as herein provided regardless of whether or not it is actually received by the owner of the Bond.

Interest on the portion of the Bond so called for redemption shall cease to accrue on the date fixed for redemption. The owner shall note on the grid attached to the Bond the amount of principal redeemed.

Section 5. Payment of Assessments and Interest on Assessments. The City has heretofore levied Assessments payable into the LID Control Fund in the total amount of \$590,000, of which \$405,580.80 was prepaid prior to the passage of this ordinance and not less than \$184,419.20 remains payable into the LID Control Fund in five equal annual installments together with interest and penalties thereon in the manner and at the times specified in Resolution No. 101 of the District. Assessments in LID No. 1 shall bear interest at the rate of 4.84% per annum, which is 1/4% higher than the interest rate on the Bond.

Section 6. Form of Bond. The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. 1 \$184,419.20

STATE OF WASHINGTON  
CITY OF BELLEVUE

LOCAL IMPROVEMENT DISTRICT NO. 1 BOND, 1999

INTEREST RATE: 4.59%

MATURITY DATE: March 1, 2006

REGISTERED OWNER: Norwest Investment Services, Inc.

PRINCIPAL AMOUNT: One Hundred Eighty Four Thousand Four Hundred  
Nineteen Dollars and 20/100

Laws of Washington 1965, Chapter 7, RCW § 35.45.070 provides, in part, as follows:

Neither the holder nor owner of any bond, interest coupon, or warrant issued against a local improvement fund shall have any claim therefor against the city or town by which it is issued, except for payment from the special assessments made for the improvement for which the bond or warrant was issued and except also for payment from the local improvement guaranty fund of the city or town as to bonds issued after the creation of a local improvement guaranty fund of the city or town. The city or town shall not be liable to the holder or owner of any

bond, interest coupon, or warrant for any loss to the local improvement guaranty fund occurring in the lawful operation thereof.

The City of Bellevue, Washington (the "City") hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, the Principal Amount indicated above and to pay interest thereon from February \_\_\_\_, 1999, or the most recent date to which interest has been paid or duly provided for until payment of the bond at the Interest Rate set forth above, payable on March 1, 2000, and annually thereafter on the first day of each March. Both principal of and interest on the bond are payable in lawful money of the United States of America. Interest and principal shall be paid by mailing a check or draft to the Registered Owner or assigns at the address shown on the Bond Register as of the 15th day of the month prior to the interest payment date. The final principal installment shall be paid to the Registered Owner or assigns upon presentation and surrender of the bond at the office of the Finance Director of the City (the "Bond Registrar").

The bond is in the aggregate principal amount of \$184,419.20 and is issued pursuant to Ordinance \_\_\_\_ of the City passed February 1, 1999 (the "Bond Ordinance") to provide the funds necessary for certain improvements within LID No. 1. The bond is payable solely from the special fund of the City known as the "Local Improvement District No. 1 Control Fund" (the "LID Control Fund") of the City and out of the Local Improvement District Guaranty Fund of the City.

The bond is not a general obligation of the City.

The bond is subject to redemption at a price of par in advance of its scheduled maturity, in whole, or in part in denominations of \$5,000 (except for the first prepayment which shall be in the minimum amount of \$4,419.20), on any interest payment date whenever there shall be sufficient money in the LID Control Fund to pay the same, over and above an amount sufficient for the payment of the interest next accruing on this bond.

Notice of any such intended redemption shall be given not less than 15 nor more than 60 days prior to the redemption date by first class mail, postage prepaid, to the registered owner of this bond at the address appearing on the Bond Register. The requirements of the Bond Ordinance shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the owner of this bond. Interest on the portion of this bond so called for redemption shall cease to accrue on the date fixed for redemption.

The City hereby covenants and agrees with the owner of the bond that it will keep and perform all the covenants of this bond and of the Bond Ordinance to be by it kept and performed. Reference is hereby made to the Bond Ordinance for the definitions of defined terms used herein.

Reference to the Bond Ordinance and any and all modifications and amendments thereto is made for a description of the nature and extent of the security for this bond, the funds pledged, and the terms and conditions upon which this bond is issued.

This bond shall not be valid or become obligatory for any purpose or be

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entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

It is hereby certified and declared that this bond is issued pursuant to and in compliance with the Constitution and laws of the State of Washington and ordinances of the City, and that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done, and performed.

IN WITNESS WHEREOF, the City of Bellevue, Washington, has caused this bond to be signed on behalf of the City with the manual or facsimile signature of its Mayor, to be attested by the manual or facsimile signature of its City Clerk, and the official seal of the City to be impressed or imprinted hereon this \_\_\_\_ day of February 1999.

WASHINGTON CITY OF BELLEVUE,

Mike Creighton, Mayor

Attest:

Myrna L. Basich, City Clerk

#### CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This bond is described in the within-mentioned Bond Ordinance and is the Local Improvement District No. 1 Bond, 1999, of the City of Bellevue.

FINANCE DIRECTOR, Bond Registrar

By  
Edward R. Oberg

#### ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER  
OF TRANSFEREE

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(Please print or typewrite name and address, including zip code, of Transferee)

the within bond and does hereby irrevocably constitute and appoint  
\_\_\_\_\_ of \_\_\_\_\_, or its successor, as Bond  
Registrar to transfer said bond on the books kept for registration thereof with full  
power of substitution in the premises.

DATED: \_\_\_\_\_, \_\_\_\_.

SIGNATURE GUARANTEED:

Signature(s) must be guaranteed  
pursuant to law.

NOTE: The signature on this Assignment  
must correspond with the name of the  
registered owner as it appears upon the  
face of the within bond in every particular,  
without alteration or enlargement or any  
change whatever.

#### PAYMENT GRID

Principal Amount Paid	Date Paid	Principal Amount Outstanding
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Section 7. Execution of Bond. The Bond shall be signed on behalf of the City  
by the manual or facsimile signature of the Mayor, shall be attested by the manual or  
facsimile signature of the City Clerk, and shall have the corporate seal of the City  
impressed or imprinted thereon.

Only such Bond as shall bear thereon a Certificate of Authentication in the  
form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or

obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bond so authenticated have been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this ordinance.

In case either of the officers who shall have executed the Bond shall cease to be such officer or officers of the City before the Bond so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bond may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. The Bond may also be signed and attested on behalf of the City by such persons as at the actual date of execution of the Bond shall be the proper officers of the City although at the original date of the Bond any such person shall not have been such officer of the City.

Section 8. Bond Registrar. The City Finance Director is appointed the Bond Registrar. The Bond Registrar shall keep sufficient records for the registration and transfer of the Bond. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Bond transferred or exchanged in accordance with the provisions of such Bond and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance.

Section 9. Defeasance. In the event that money and/or "Government Obligations" (as now or hereafter defined in RCW Ch. 39.53 or its successor statute, if any) maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money if necessary) sufficient to redeem and retire the Bond in accordance with its terms are set aside in a special account to effect such redemption or retirement and such money and/or the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the LID Control Fund for the payment of the principal of and interest on the Bond so provided for, and the owner of such Bond shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the funds so set aside and pledged, and such Bond shall be deemed not to be outstanding hereunder.

Section 10. Bond to Remain Tax Exempt; Nonarbitrage. The City covenants with the owner of the Bond that it will not use or invest the proceeds of the Bond or any other funds of the City for any purpose or in any manner or take any other action that would cause the Bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder (the "Code"), or would result in interest on the Bond becoming taxable income to the owner thereof under Section 103 of the Code, or any other federal tax legislation that may be enacted into law.

Section 11. Lost or Destroyed Bond. In case the Bond shall be lost, stolen or destroyed, the Bond Registrar may execute and deliver a new Bond of like amount, date, and tenor to the registered owner thereof upon the owner paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon his/her filing with the Finance Director of the City evidence satisfactory to the Finance Director that such Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the City with indemnity satisfactory to



the Finance Director.

Section 12. Sale of Bond. The sale of the Bond to Norwest Investment Services, Inc., Minneapolis, Minnesota, at the price and pursuant to their bid for the purchase of the Bond dated January 14, 1999, is hereby in all respects ratified and confirmed. Upon the sale of the Bond, the appropriate City officials are hereby authorized to do everything necessary for the prompt printing, issuance and delivery of the Bond and the proper application of the proceeds thereof.

Section 13. Ongoing Disclosure. The City is exempt from the ongoing disclosure requirements of Securities and Exchange Commission Rule 15c2-12 by reason of the exemption set forth in subsection (d)(1) of that rule with respect to the issuance of securities under \$1,000,000.

Section 14. Effective Date. This ordinance shall be effective five days after its passage and publication as required by law.

PASSED by the City Council this 1st day of February, 1999, and signed in authentication of its passage this 1st day of February, 1999.

(SEAL)

Mike Creighton, Mayor

Approved as to form:  
Richard L. Andrews, City Attorney

Richard L. Kirkby, Assistant City Attorney  
Attest:

Myrna L. Basich, City Clerk  
Published February 5, 1999

CERTIFICATE

I, the undersigned, City Clerk of the City of Bellevue, Washington (the "City") and keeper of the records of the City Council (herein called the "Council"), DO HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance No. \_\_\_\_ of the Council (herein called the "Ordinance"), duly passed at a regular meeting thereof held on the 1st day of February, 1999.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of February, 1999.

Myrna Basich, City Clerk